domestic industries are likely to be affected after the Free Trade Agreement with various countries; and

(b) the steps being taken by Government for preventing adverse-effects thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) The coverage of goods and tariff liberalisation programme under Free Trade Agreements (FTAs) are finalized after due consultation with the domestic stakeholders, including the domestic industry to minimize the negative impact on small scale and domestic industry.

**Proposal of G-8 countries to erect non-tariff barriers**

989. SHRI ANAND SHARMA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government are aware of the proposed move of the G-8 countries to erect non-tariff barriers on the pretext of arresting climate changes; and

(b) if so, the response of India to the proposed non-tariff barriers?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) The G-8 in its summit during July, 2005 in Gleneagles, Scotland did not propose or decide on erection of non-tariff barriers on the pretext of arresting climatic changes. India was one of the outreach countries that joined in the discussions with G-8 on climate change. In the summit India proposed a new paradigm for international co-operation for action on climate change based on partnership between developed and developing countries. On the issue of deployment of costly cleaner energy sources, which are not non-tariff barriers *perse,* India believes that it has significant economic implications in the context of developing countries like us.

**Exemption of military canteens from VAT**

990. SHRI N.K. PREMACHANDRAN: Will the Minister of DEFENCE be pleased to state:

(a) whether Government allowed to exempt military canteens from the

purview of VAT and if so, whether the canteens in Kerala has been exempted from VAT;

(b) how many State Governments sought the permission to exempt canteens from VAT and how many among them were given permission and whether the Government extend any compensations to make good the loss;

(c) whether the Government of Kerala sought sanction for exemption; and

(d) whether the Government consider to accord permission for exempting canteens of Kerala from VAT, the reaction of the Government thereto?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) to (d) The canteens in Kerala have not been exempted from Value Added Tax (VAT). VAT being a State subject, the Central Government has no role in according permission to State Governments to levy or exempt military canteens from VAT. However, on the Central Government's request, the Empowered Committee of State Finance Ministers set up to take decisions on all aspects of implementation of VAT, in its meeting on July 9, 2005, has decided that "The States/Union Territories may exempt CSD canteens from payment of VAT". It is now up to the individual State Government to exempt sale of goods through canteens from the levy of VAT.

**De-mining in border areas**

991. SHRI T.S. BAJWA: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that de-mining process in border areas is not completed properly;

(b) whether the land is handover to farmers after de-mining;

(c) if so, the details in this regard; and

(d) if not, the reasons therefor and the time by when the same is likely to be restored?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) De-mining operations for the mines laid during 'Op. Parakram' commenced in